UtahAmerican Energy, Inc.

Incoming, C0070013 Lila Canyon Project P. O. Box 910 East Carbon, Utah 84501 井3705

Phone: (435) 888-4000 (435) 650-3157

Fax: (435) 888-4002

December 28, 2010

Daron Haddock Permit Supervisor 1594 West North Temple, Suite 1210 P.O. Box 145801 Salt Lake City, Utah 84114-5801

Re: UtahAmerican Energy, Inc. Horse Canyon Mine, Clean Copies of 10-010 (Ventilation Breakouts) Horse Canyon Part B Lila Canyon ACT/009-013

K

Dear Mr. Haddock,

Conditional approval for submittal 10-010 was given on December 9, 2010. Attached you will find three (6) Clean copies of submittal 10-010. With the submittal of these clean copies final approval should be granted by DOGM.

C1 And C2 forms are included.

Thanks for your help.

Should you have any questions please call.

R. Jay Marshee Sincerely,

File in:

☐ Confidential

72010. For additional information



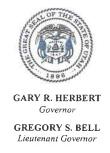
ASSIGNED TRACKING NUMBER

### **APPLICATION FOR PERMIT PROCESSING**

□e <u>rmit Cl</u>	nange 🗆	New Permit □	Renewal	Transfer □	Exploration	Bond Release □	Permit Number: ACT/007/013
li de of Pr	oposal: Cl	ean copies of su	ıbmittal 10-01	0			Mine: Horse Canyon
							Permittee: UtahAmerican Energy, Inc.
Description,	include reason	for application and timing r	required to implement:				
Instruc	tions: If y	ou answer yes to an	ny of the first 8 qu	estions (gray), s	submit the application	n to the Salt Lake Offic	ce. Otherwise, you may submit it to your reclamation
□ Yes	□ No	1. Change in	the size of the	e Permit Area	a?acres	Disturbed Area?	acres □ increase □ decrease.
□ Yes	□ No	2. Is the appli	ication submit	ted as a resu	ult of a Division	Order? DO#	
□ Yes	□ No	3. Does appli	cation include	operations	outside a previo	usly identified Cun	nulative Hydrologic Impact Area?
□ Yes	□ No	4. Does appli	cation include	operations i	n hydrologic ba	sins other than as	currently approved?
□ Yes	□ No	5. Does applie	cation result f	rom cancella	tion, reduction o	or increase of insu	rance or reclamation bond?
□ Yes	□ No	6. Does the a	pplication rec	uire or includ	le public notice/	publication?	
□ Yes	□ No	7. Does the a	pplication req	uire or includ	le ownership, co	ontrol, right-of-entr	y, or compliance information?
□ Yes	□ No	8. Is proposed	d activity with	n 100 feet of	a public road o	r cemetery or 300	feet of an occupied dwelling?
□ Yes	□ No	9. Is the appli	cation submit	ted as a resu	ılt of a Violation′	NOV#	
□ Yes	□ No	10. Is the appl	lication submi	tted as a res	ult of other laws	or regulations or p	policies? Explain:
□ Yes	□ No	11. Does the a	application aff	ect the surfa	ce landowner or	change the post i	mining land use?
Yes	□ No	12. Does the a	application red	quire or inclu	de underground	design or mine se	equence and timing? (Modification of R2P2?)
□ Yes	□ No	13. Does the a	application red	quire or inclu	de collection an	d reporting of any	baseline information?
□ Yes	□ No	14. Could the	application ha	ve any effec	t on wildlife or v	egetation outside	the current disturbed area?
□ Yes	□No	15. Does appli	ication require	or include s	oil removal, sto	rage or placement	?
□ Yes	□ No	16. Does the a	application red	quire or inclu	de vegetation m	onitoring, removal	or revegetation activities?
□ Yes	□ No	17. Does the a	application red	uire or inclu	de construction,	modification, or re	emoval of surface facilities?
□ Yes	□ No	18. Does the a	application red	uire or inclu	de water monito	ring, sediment or o	drainage control measures?
□ Yes	□ No	19. Does the a	application red	uire or inclu	de certified desi	gns, maps, or calc	ulations?
□ Yes	□ No	20. Does the a	application red	juire or inclu	de subsidence d	ontrol or monitorir	ng?
□ Yes	□ No	21. Have recla	mation costs	for bonding	been provided fo	or?	
□ Yes	□ No	22. Does appli	ication involve	a perennial	stream, a strea	m buffer zone or d	ischarges to a stream?
□ Yes	□ No	23. Does the a	application aff	ect permits is	sued by other a	gencies or permit	s issued to other entities?
X Attack	1 <u>3</u> comp	lete copies of t	the application	on.			
application	is true and	t I am a responsible correct to the best of ents, undertakings,	of my information	and belief in all	the information cont respects with the la	ained in this lws of Utah in	Received by Oil, Gas & Mining
		R. Signed	Name - Position	- Date	7/10 PM	0) MOR	- Carlotte
scribed an	nd sworn to before	ore me this 27 day of 0	ecomba 301	Pr 4	the said thing the said	Notary Public	DEC 29 2003
	- Jan	Notary Pablic		!/\$		LINDA KERNS	Fritogoli, das a milita
My Commissio	STATE OF	Marca 27, 2	610			y Commission Expires	ASSIGNED TRACKING NUMBER

March 27, 2013 State of Utah

My Commission Expires: Notary Poblic 2.
Attest: STATE OF COUNTY OF



### State of Utah

#### DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

December 9, 2010

Jay Marshall, Resident Agent UtahAmerican Energy, Inc. P.O. Box 910 East Carbon, Utah 84520-0910

Subject:

Conditional Approval of Ventilation Breakouts, UtahAmerican Energy, Inc.,

Horse Canyon Mine, Outgoing File, C/007/0013, Task ID #3705

Dear Mr. Marshall:

The above-referenced amendment is conditionally approved upon receipt of 6 clean copies prepared for incorporation. Please submit these copies by January 9, 2011. Once the Division receives these copies, final approval will be granted, at which time you may proceed with your plans.

A stamped incorporated copy of the approved plans will also be returned to you at that time, for insertion into your copy of the Mining and Reclamation Plan. This modification does not necessitate an update to the Technical Analysis.

If you have any questions, please call me at (801) 538-5262.

Sincerely,

James D. Smith Permit Supervisor

JDS/sqs cc: Price Field Office O:\007013.HOR\WG3705\WG3705.COND APPROVAL.JDS.DOC



		APPLICATION FOR PERMIT PROCE	SSING
rmit C	hange 🗆	New Permit □   Renewal □   Transfer □   Exploration □   Bond Release □	Permit Number: ACT/007/013
Title of P	roposal: De	eficiencies for ventilation breakouts. 10-010	Mine: Horse Canyon
			Permittee: UtahAmerican Energy, Inc.
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□ Yes	□ No	5. Does application result from cancellation, reduction or increase of insur	ance or reclamation bond?
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□ Yes	□No	21. Have reclamation costs for bonding been provided for?	
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□ Yes	□ No	23. Does the application affect permits issued by other agencies or permits	
X Attach	3 comp	lete copies of the application.	
application	is true and	I am a responsible official of the applicant and that the information contained in this correct to the best of my information and belief in all respects with the laws of Utah in ents, undertakings, and obligations, herein.	Received by Oil, Gas & Mining
ibed an	í sworn to befo	Signed - Name - Position - Date  re me this \$\frac{1}{2}\$ day of \$\frac{1}{2} \cdot	DEC 0 8 2010
	. 8	I STEEL MANUAL WANTA	DIV. OF OIL, GAS & MINING

MARY V. KAVA
NOTARY PUBLIC • STATE OF UTAL
COMMISSION # 574260
COMM. EXP. 05-16-2012

ASSIGNED TRACKING NUMBER

My Commission Expires: Atlest: STATE OF COUNTY OF

# Application for Permit Processing Detailed Schedule of Changes to the MRP

Deficiencies response for ventilation breakouts. 10-010

Permit Number: ACT/007/013

Mine: Horse Canyon

Permittee: UtahAmerican Energy, Inc.

Provide a detailed listing of all changes to the mining and reclamation plan which will be required as a result of this proposed permit application. Individually list all maps and drawings which are to be added, replaced, or removed from the plan. Include changes of the table of contents, section of the plan, pages, or other information as needed to specifically locate, identify and revise the existing mining and reclamation plan. Include page, section and drawing numbers as part of the description.

			DESCRIPTION OF MAP, TEXT, OR MATERIALS TO BE CHANGED
□ ADD	REPLACE	□ REMOVE	Appendix 7-4 Page 59
□ ADD	REPLACE	□ REMOVE	Appendix 8-1 Page 1 (Bond Amount Summary Page)
□ ADD	REPLACE	□ REMOVE	Appendix 8-1 Demolition summary page 1 (1of 32)
□ ADD	□ REPLACE	□ REMOVE	Appendix 8-1 Demolition Last Page (32 of 32)
□ ADD	REPLACE	□ REMOVE	Plates 1-2,
□ ADD	REPLACE	□ REMOVE	Plates 2-1, 2-2, and 2-3,
□ ADD	REPLACE	□ REMOVE	Plates 5-1-A, 5-2, and 5-6,
□ ADD	□ REPLACE	□ REMOVE	Plate 7-2, 7-5, and 7-7
□ ADD	REPLACE	□ REMOVE	Chapter 2 Text Page 10
□ ADD	□ REPLACE	□ REMOVE	
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Any other specific or special instructions required for insertion of this proposal into the Mining and Reclamation Plan?



DIV. OF OIL, GAS & MINING

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DIV. OF OIL, GAS & MINING

#### Alternate Sediment Control for Fan Site and Topsoil Storage Area

#### 5.1 ASCA Areas

Sediment Control at the slope below water treatment area, and topsoil storage area sites will be accomplished with a combination of one or more of the following: berms, silt fences, and straw bales.

The ventilation breakouts are just punch outs and will have insignificant disturbance associated with them. (Plate 5-2) However, they are addressed as ASCA's and are addressed here even though there will be only insignificant surface disturbance. The ASCA's will be seeded upon final reclamation.

The topsoil collected from the topsoil storage area sites will be located downslope from the sites and will be used in the construction of the berm. The berm will be constructed a minimum of two feet high and have 2:1 side slopes. The berm will control the flow from a 10 year-24 hour precipitation event. Silt fence will be selectively placed to help control run-off. The berm will be stabilized with vegetation to prevent erosion. As much as practical, the vegetation techniques used on the main topsoil pile will be utilized on the fan topsoil berm.

The outside of the berm will be protected with a silt fence or gravel. The gravel, if used, would help augment the revegetation. Construction details of the silt fence/filter fence are shown if Figure 5.

The outslope of the portal access road, outslope of the water treatment pad, and ventilation break outs will have a silt fence located along the disturbed area boundary to treat the runoff from the slope. While some portions of this area will be disturbed as a result of the fill material placed for the pad and road construction, the major portion of this area is expected to remain undisturbed. As an added protection, the portions of the area that are disturbed by the fill placement will be covered with a erosion control mat to minimize the erosion from this slope and that area seeded to aid in the establishment of a vegetative cover.

Due to lack of final engineering details, the exact location of the berms, silt fences, and subsequent erosion techniques will be determined in field with the approval of UDOGM. The final determination will be made prior to the start of topsoil removal.

#### **Run-off Calculations**

#### 5.2 Ventilation Break Outs

Insignificant surface disturbance.

#### 5.3 Topsoil Storage Area

Bonding Calculations Horse Canyon MineC/007/013 Lila Canyon Section

#### **Bond Summary**

#### **Direct Costs**

Subtotal Demolition and Removal Subtotal Backfilling and Grading Subtotal Revegetation Direct Costs	\$657,751.00 \$417,838.00 \$340,586.00 \$1,416,175.00
Indirect Costs Mob/Demob Contingency Engineering Redesign Main Office Expense Project Mainagement Fee Subtotal Indirect Costs	\$141,618.00 10.0% \$70,809.00 5.0% \$35,404.00 2.5% \$96,300.00 6.8% \$35,404.00 2.5% \$379,535.00 26.8%
Total Cost	\$1,795,710.00
Escalation factor	0.005
Number of years Escalation	\$27,071.00
Reclamation Cost	\$1,822,781.00
Bond Amount (rounded to nearest \$1,000) 2013 Dollars	\$1,823,000.00
Bond Posted Up to December 2010	\$1,807,000.00
Difference Between Cost Estimate and Bond Percent Difference	-\$16,000.00 -0.88%

	Signature	Reference	Cost	5	Length	Molan	Heigni	Diameter Area		Volume	Weight	Density	Time	Number	Unit Sw Fac	Swell Q Factor	Quantity	Unit C	Cost
Office Bathhouse			-																
Shop Warehouse			-											1		1			\$105,253
Security Shack																			\$124,630
Mine Substation											1				1			1	\$693
Underground Power Lines														-	1	1	1		\$10,488
Water Treatment Plant													1	-			I		leff in place
Potable Water Tank														1		Ì	1		\$2,070
Process Water Tank											T		1						1513
Sewer Tank										1	1		1	1	1				1513
Drain Field										1	1		1						\$1,421
Ventilation Fan			-							1					-				left in place
Conveyor Tunnels to Coal Stockpile											1								\$44 781
Conveyor ROM Stockpile to Crusher									Ī										39595
Conveyor Crusher to Loudout Bin									Ī						1				14011
Conveyor Loudout Bin Truck Loadout									l					1	1	Ì			\$9,663
Reclaim Escape Tunnel Fan Fan House	9										1			-	1		1		\$588
ConveyorStoragePileStakingTube															1	1			20369
Crusher Screen Plant									I								1		11939
Truck Scale to Loadout																			5361
Coal Storage Bin															1				\$8,490
Guard Rail																	1		\$4,448
Underground Pipes															1	1			27588
Chain Link Fence														1	1			e)	Left in Place
Mine Facilities Rd Truck Loadout Rd														-			1		\$5,325
Office Bathhouse Warehouse Parking														-	1				\$59,059
Mine Parking	2000																		\$100,209
Fuel Tanks			L										1		1				\$25,322
Powder and Cap Magazine																			\$5,097
Culverts									l						1				\$2,460
Old Horse Canyon Fan Portals in Lila Canyon	Janyon											1							1952
Lila Ventilation Portals North and South	,														1				\$5,000
Pole Barn												1	1						\$12,500
									1						-				\$6,413
			1																
													1		1			1	
														-	1			1	
200											1								

Structure's Demoiting Cost	Number		Quantity Unit Cost
CIG TOTAL CHAIR LAND LONG TOTAL CHAIR LAND LONG		2	
Seal Lila North and South Portals	0030		
	2002		
Total			

approximately 56,000 bank cubic yards. Removal of stones and boulders would be considered in volume estimates where they are part of the soil layer removed.

The stockpile has been sized to allow for bulking or swell of the soil as it is removed from the bank state to the loose state. A bulking number of 1.18 has been used. The area allowed for topsoil storage is 56,000 bank cubic yards x 1.18 which equals 66,000 loose cubic yards to be placed on the topsoil pile.

Boulders of approximately three feet in diameter and larger will be separated from the topsoil and piled or placed at appropriate locations such as adjacent to roads, pads etc. No attempt will be made to collect the large boulders into common piles. Boulders above ground level are in addition to topsoil volumes and may account for approximately 10,000 cubic yards.

UEI is not stockpiling large stones "boulders". Boulders will be pushed to the side and left during construction and then upon reclamation the boulders will be pushed back into the approximate location form which they came. Rocks of 36" or less will be stored in the topsoil pile with the soil and will be redistributed with the soil.

The approximate 66,000 loose cubic yards of topsoil will be stored in a topsoil pile as shown on Plate 5-2. This topsoil pile will be approximately 350' long and 250' wide with 2:1 slopes. The height of topsoil pile needed is approximately 31 feet. The pile as designed has the capability of storing well over the required 60,000 cubic yards. See Figure 1 for topsoil pile calculations.

Soil from the proposed ventilation break out sites near the coal outcrop will not be salvaged. As a result of the very limited ground disturbance, and lack of access, soil cannot reasonable be salvaged. At these small isolated sites soil will not be salvaged or stored.

The sequence for topsoil removal in general, would be starting from the lower elevations of the site and working up slope. Surface disturbance may not be required on all of the acreage